AARP Survey: Stressed NYC Asian American Gen X, Boomers Struggling to Save for Retirement

Stressed Out by Unaffordability and Lack of Savings, Half of Asian American City Voters 35-50 Expect to Leave NYC

NEW YORK, N.Y., October 9, 2015 – Nearly two-thirds of New York City’s Asian American Gen-Xers and Baby Boomers say they are worried about having enough money to live comfortably when they retire, saying the high cost of living, paying for children’s education, and healthcare are hampering their ability to save, according to a new survey of Asian American city voters commissioned by AARP.

The survey also found that Asian Americans will be a large part of a looming “Gen-Xodus,” with 58 percent of Asian American Gen-X voters saying they’re at least somewhat likely to move out of New York in retirement along with 43 percent of Asian American Baby Boomers – that is, if they even have enough money to retire.

As Gen-Xers started turning 50 this year, AARP conducted its first city survey of the generation, High Anxiety: NYC Gen-X and Boomers Struggle with Stress, Savings and Security. AARP then created a supplemental report, High Anxiety: NYC Asian American Gen-X and Boomers Struggle with Stress, Savings and Security, to take a deeper look at what is driving the financial stress of Asian Americans in the city.

The survey of Gen-Xers and Baby Boomers (ages 35 to 69), found that while financial anxiety is high among Gen Xers and Boomers of all races and ethnicities, Asian Americans in those age cohorts are more likely to experience obstacles to saving due to family caregiving (46% Asian American vs. 36% of total Gen Xers and Boomers); or due to a lost job or pay cut (53% vs. 46%).

Other findings:

- 65% of Asian American Gen-Xers and Boomers worry about not saving enough.
- 68% of Asian American Gen-Xers and 43% of Boomers are either current or expected future borrowers of student debt; 67% of these borrowers say these loans make it even harder to save for retirement.
- 57% of Asian American Gen-Xers and Boomers worry about being able to afford the rent or mortgage in the coming years.
- 41% Asian American voters worry about not being able to keep or find a job because of age.
Gen-Xers are the first generation to approach retirement age with a new playbook, having lived the entirety of their working years during the rise of 401k plans and a shift away from traditional pension plans.

“These survey results should serve as an alarm that we to need find solutions that can help ease the financial pressures that Asian American New Yorkers are facing, while also helping them to access savings vehicles through their employers that can help them build retirement savings,” said Beth Finkel, State Director of AARP in New York State.

The survey, and independent research, show coming retirement savings troubles among both Gen-Xers and Boomers citywide. The average 401(k) account balance in New York was only $30,811 as of last year, according to the National Institute on Retirement Security – which found that in 2013 the average American household had just $3,000 in total assets in savings, and just $12,000 for those nearing retirement.

Twenty-eight percent of Asian American Gen X and Boomer workers surveyed have no access to any type of workplace retirement savings plan. Among private sector Asian American workers age 18 to 64 in the state of New York, 61% are not covered by a workplace retirement plan.

Yet the survey found 56% of city Asian American Gen-Xers and Boomers who are in the labor force and confident they’ll be able to retire say they plan to stop working by age 65, revealing a retirement “reality gap,” since they also said they are not saving or planning enough to retire.

The survey was released at a panel discussion today in Manhattan, featuring Daphne Kwok, Vice President, Multicultural Leadership, Asian American and Pacific Islander Audience at AARP; Angela Houghton, AARP senior research advisor; Howard Shih, Director of Research and Policy at the Asian American Federation; and Sandy Poon-Wing, Vice President and Financial Planning Specialist at Morgan Stanley Wealth Management. The panel was moderated by Arthur Chi’en, Newscaster at WNYW-TV Fox 5 NY.

High resolution photos from the event are available. Contact Chaunda Ball of AARP at 212-407-3732 or cball@aarp.org.

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